

**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
*Two Gateway Center*  
*Newark, NJ 07102*

IN THE MATTER OF THE PETITION OF	)	<u>TELECOMMUNICATIONS</u>
AT&T COMMUNICATIONS OF NJ, L.P.	)	
FOR APPROVAL OF TRANSACTIONS	)	<u>ORDER OF MODIFICATION</u>
RELATING TO SALE OF ACCOUNTS	)	
RECEIVABLE AND A PROTECTIVE ORDER	)	DOCKET NO. TF01030185

(SERVICE LIST ATTACHED)

BY THE BOARD:

AT&T Communications of NJ, L.P. (AT&T-NJLP) and certain additional AT&T Corp. subsidiaries operating in New Jersey (TCG Subsidiaries), by a motion filed on August 8, 2001 request that the Board of Public Utilities (Board) amend its Order of June 20, 2001 in this docket (the Receivables Order) so as to extend the approvals previously granted to AT&T-NJLP to the TCG Subsidiaries. These approvals are embodied in ordering clauses (1), (2), and (3) of the Receivables Order, and include the following: (1) the sale of accounts receivable, (2) AT&T-NJLP's prospective sales of accounts receivable, and (3) AT&T-NJLP's request for a Protective Order. AT&T-NJLP and its TCG Subsidiaries also requested that the Board act expeditiously to approve the modification to the Receivables Order at the Board's September 12, 2001 Agenda Meeting because the accounts receivables transaction proceeded on the condition of the participating banks that all of AT&T Corp.'s New Jersey operating subsidiaries would be included by September 20, 2001. AT&T-NJLP and its TCG subsidiaries incorporated by reference into the motion the original petition (including attachments), in its entirety.

There are four TCG Subsidiaries that generate accounts receivable from New Jersey business services operations: (1) Teleport Communications New York (TCNY), a partnership; (2) TCG Delaware Valley, Inc. (TCGDV); (3) TCG New Jersey (TCGNJ), a partnership; and (4) TCG New Jersey, Inc. (TCGNJI).

According to the instant motion, the transaction between the TCG Subsidiaries and AT&T Corp. is identical in form and substance to the transaction approved in the Receivables Order. The TCG Subsidiaries and AT&T Corp. have submitted a Transfer Agreement and Transfer Note that are identical to those entered into by AT&T-NJLP and AT&T Corp. and approved by the Board in the Receivables Order. That Transfer Agreement and Transfer Note were attached as Exhibit 2 to the original petition. The TCG Subsidiaries agree to be bound by the same conditions that apply to AT&T-NJLP by virtue of the Board's June 20, 2001 Order. Accordingly, the Petitioners assert that the same findings and approval issued by the Board with respect to AT&T-NJLP are and should be extended to the TCG Subsidiaries.

Having again reviewed the original petition, including attachments, and having reviewed the instant motion and all supporting information, the Board FINDS that the transactions involving the TCG Subsidiaries described herein are identical to those approved in the June 20, 2001

Receivables Order. Accordingly, the Board FINDS that these transactions are also in the public interest and in accordance with law.

The Division of the Ratepayer Advocate, by letter dated September 10, 2001, advised that as TCG is another operating subsidiary, the Receivables Order can be read to apply equally to TCG. However, to avoid any uncertainty with regard to this request, specific approval to include TCG in the Receivables Order is sought. With regard to the June 20, 2001 Order, the Ratepayer Advocate did not object to the approval of that petition and likewise does not object to the motion to extend the Receivables Order of June 20, 2001 to apply to the TCG subsidiaries.

Therefore, the Board HEREBY MODIFIES the June 20, 2001 Receivables Order so as to extend all approvals granted therein in ordering clauses (1) the sale of accounts receivable, (2) AT&T-NJLP's prospective sales of accounts receivable, and (3) AT&T-NJLP's request for a Protective Order, including any and all conditions thereto, to AT&T-NJLP, to include the TCG Subsidiaries. The Board notes that, for the same reasons set forth in the Receivables Order, the Board is extending the protection granted in ordering clause (3) to those transactions approved herein involving the TCG Subsidiaries.

Finally, the Board DIRECTS that AT&T-NJLP and TCG Subsidiaries file all confidential exhibits to the original petition and the instant motion with the Board under seal pursuant to the Receivables Order and this Order, and notify the Board in writing of the consummation of all first stage transactions within 30 days of the closing of the transactions.

DATED: September 27, 2001

BOARD OF PUBLIC UTILITIES  
BY:

[SIGNED]  
CONNIE O. HUGHES  
ACTING PRESIDENT

[SIGNED]  
FREDERICK F. BUTLER  
COMMISSIONER

[SIGNED]  
CAROL J. MURPHY  
COMMISSIONER

ATTEST:

[SIGNED]  
FRANCES L. SMITH  
BOARD SECRETARY